



**Housing Trust Fund: Homeless Reduction Grants  
Program Guidelines  
2015-2016**

## Purpose

The Virginia Housing Trust Fund Homeless Reduction Grants program goal is to reduce homelessness within the Commonwealth of Virginia. The program achieves these goals by providing assistance in the form of grants to projects that address these needs and support state housing policy.

This document is intended to provide guidance only. For more detailed information and for questions outside the scope of the guidelines please contact DHCD:

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## Background

The Homeless Reduction Grants are funded through Virginia's Housing Trust Fund. The Trust Fund was created with an allocation of \$8,000,000 in the 2013 – 2014 biennium budget. An additional \$8,000,000 (\$4,000,000 in the first year and \$4,000,000 in the second year) was allocated in the 2015 – 2016 biennium budget.

At least 80 percent of the Housing Trust Fund is to be used for short, medium and long-term loans to reduce the cost of homeownership and rental housing. Up to 20 percent of the Housing Trust Fund may be used to provide grants for targeted efforts to reduce homelessness.

Funding made available for 2015 – 2016 through the Virginia's Housing Trust Fund will be allocated through three competitive programs, including \$1 million through the Homeless Reduction Grant Program.

Virginia Housing Trust Fund 2015 & 2016	
Program	Amount
Competitive Loan Pool	\$5,523,892
Comprehensive Neighborhood Revitalization (Loan) Pilot	\$1,500,000
Homeless Reduction Grant	\$1,000,000
Administration	\$160,000
<b>Total</b>	<b>\$8,183,892</b>

## Application Process

The Homeless Reduction Grants Program will allocate \$1 million dollars of the Housing Trust Fund allocation for the 2015 - 2017 program years to projects best positioned to address homelessness in Virginia.

Applications will be accepted on or before September 3, 2015. All applications for funding must be submitted to DHCD through the online application and project management system called [CAMS](#) (Centralized Application and Management System). Please allow for up to two business days for responses to any CAMS help desk request. Applications must be submitted in CAMS on or before 11:59 PM, September 3, 2015.

All applications received by the deadline will be reviewed against established criteria to identify those projects best positioned to meet priority needs within Virginia. Applicants have the opportunity to receive a debriefing on unsuccessful applications.

Please note that DHCD technical assistance is limited to normal business hours.

Applications must meet minimum requirements including scoring at least 60 points in order to be considered for funding. Scoring criteria are as follows:

Scoring Criteria	
Alignment with state policy priorities	15.0
Sustainability	10.0
Impact on local needs	15.0
Approach (reducing homelessness)	20.0
Local coordination	10.0
Applicant capacity	15.0
Housing stabilization services	15.0
<b>Total</b>	<b>100.0</b>

Applications will be reviewed and scored by a panel. Offers will be extended to those applications scoring at least 60 points based on availability of funds. Any remaining balance of funds may be allocated through a subsequent application process. Any funding not allocated by December 1, 2015 will be rolled into the Competitive Loan Pool. Applicants not receiving a funding offer through the initial round of applications may receive a debriefing on their application and may reapply in a subsequent round of applications (if applicable).

#### Alignment

Projects designed to address state policy priorities to end homelessness will be given scoring preference. These projects will be based on best practices that will help to:

- Decrease the length of time individuals experience homelessness
- Decrease the number of new entries to homelessness
- Decrease the number of individuals returning to homelessness

#### Sustainability

Awards will be offered as one-time grants. Applicants must be able to demonstrate how activities will be sustained or completed without the Homeless Reduction Grant. In addition applicants should identify the other resources the Homeless Reduction Grants will leverage. For predevelopment grants, applicants must demonstrate overall project feasibility and include a project timeline.

#### Impact on Local Need

Proposed projects will be scored based on the degree to which it is designed to meet an unmet local need in the Continuum of Care (CoC) or local planning group in the case of the Balance of State CoC. Local data on the gap and demand should be provided as a means to demonstrate the impact the project will have on local needs.

### Approach

Scoring preference will be given to projects that are based on best practices and/or proven approaches. Projects are expected to reduce homelessness and support overall CoC (or planning group) efforts. Project activities must be incorporated into the local coordinated assessment system and adhere to local policies and procedures. This includes housing-focused standards of service and assistance. In the case of predevelopment grants, the resulting permanent supportive housing project must be designed to meet these standards.

### Local Coordination

Proposed projects are scored based on the level of local coordination. Applications should clearly demonstrate how the project resulted from a local planning effort how the project will be incorporated into the local coordinated assessment system, and how project data/outcomes will be leveraged in the local planning.

### Applicant Capacity

Service providers and/or development team (predevelopment grant) experience with similar projects and overall financial capacity will be evaluated and considered in the selection of projects for the Homeless Reduction Grants. Applicants should provide evidence to demonstrate overall capacity for the applicant and any partners.

### Housing Stabilization Services

Priority will be given to projects that will provide services and assistance focused on helping homeless individuals and families obtain and maintain housing. Please see the eligible activities section for details. In the case of predevelopment grants, the resulting permanent supportive housing project must be designed to meet housing-focused standards of service and assistance.

### *Award Notification and Contracts*

Project applications selected through the Homeless Reduction Grant application process will receive notification in writing that their project has been selected for funding. Please note that additional information and negotiations may be required prior to contract execution. Applicant awards are tentative pending an executed contract. Applicants are expected to respond in a timely manner to all information requests.

Homeless Reduction Grants will be issued as 12- month contracts.

Additional information on the Homeless Reduction Grant application process can be found in the Application Instructions and at the How to Apply Workshop.

### **Eligible Applicants**

Eligible applicants are units of local government, non-profit organizations or housing developers (non-profit and for-profit), Community Housing Development Organizations (CHDOs), single purpose organization or limited liability corporations (LLC), and public housing authorities seeking to reduce homelessness in Virginia. Please note, if a LLC or development team is applying, the preferable applicant is the primary partner in the LLC or development team or the individual organization that will have the ongoing responsibility for the project.

Applicants must have a registered CAMS profile in order to apply. Proposed projects that will leverage multiple partners and subcontracts are allowable. The applicant is the entity responsible for compliance. Please contact DHCD if you have any questions.

DHCD may not enter into program contracts with any applicant with outstanding audit findings, IRS findings, DHCD monitoring findings or other compliance issues. Please note that DHCD will work with all interested parties toward the resolution of outstanding issues, where appropriate.

DHCD must verify project partner capacity and roles when evaluating applications and project feasibility. Applicants must be able to clearly articulate the relationship between all partners involved in the service provision, development, ownership, and/or property management of a project.

### **Type of Assistance**

Assistance to selected projects will be in the form of a grant for a 12-month performance period. The amount of assistance per project is capped at \$100,000.

### **Eligible Projects**

Eligible projects are designed to reduce homelessness and are located within Virginia. Eligible projects include:

- Rapid Re-housing programs
- Permanent Supportive Housing (services-only)
- Predevelopment (permanent supportive housing-only)

### Rapid Re-housing Programs

Homeless Reduction Grants may be used to expand existing programs or support new efforts where a local gap exists. Any new effort must have grant-funded activities underway within 30 days of contract start date. DHCD reserves the right to de-obligate funding where project activities have not met this 30-day deadline.

Eligible rapid re-housing assistance includes rent assistance and/or support service to rapidly re-house individuals and families that are homeless. Please note individuals/families must be literally homeless:

- Lack a fixed, regular, and adequate nighttime residence including those residing in a shelter or a place not meant for human habitation or
- Are exiting an institution where they resided temporarily

Rapid re-housing assistance is limited to literally homeless households. These are households who lack a fixed, regular, and adequate nighttime residence at intake. This includes those currently residing in a shelter and those exiting an institution (where they were homeless prior to entering the institution and where there for less than 90 days) with no housing resources. DHCD *Homeless Certification* and *Program Participant Eligibility Requirements* documentation must be included in each program participant file.

Please note, except for case management the total period for re-housing assistance is limited to 24 months within any three-year period.

### *Rapid Re-housing Eligibility*

When households initially receive rapid re-housing assistance they must be literally homeless. Re-housing financial assistance beyond three months requires recertification of eligibility. This recertification must be completed every three months. *Recertification* requires grantee certification and evidence of:

- Program participant household income below 30 percent area median income (AMI)
- The household lacks the financial resources and support networks needed to remain in existing housing without rapid re-housing assistance
- Housing stabilization services are being appropriately implemented

Three month recertification applies to rapid re-housing financial assistance. In cases where program participants receive only case management and services, recertification is required every 12 months. Please note that while case management is required at least monthly, services may not be required of program participants.

Income eligibility is not required when households first access rapid re-housing because they are literally homeless; however, it is required when recertifying continued eligibility for rapid re-housing assistance. At each three-month rapid re-housing recertification the household must be below 30 percent of AMI with no more than \$500 in assets (including all checking, savings, retirement accounts, stocks, bonds, mutual funds, and real estate). This does not include primary, appropriate, and reasonable transportation, pension or retirement funds that cannot be accessed. Grantees must use [HUD Published Income Limits](#) and must use HUD's Section 8 income eligibility standards for determining program eligibility.

Documentation of homeless status and re-housing assistance eligibility is required. The grantee must use third party verification where possible.

The limits on the amount of assistance a program participant can receive are covered in the *Eligible Activities* section.

Rapid re-housing eligibility must be documented with a completed and signed *Program Participant Eligibility* form and appropriate source documentation.

### Rapid Re-Housing

Eligible costs included in the rapid re-housing cost category include:

- Rent assistance/rent arrears
- Housing stabilization financial assistance
- Housing stabilization services/case management
- Housing search and placement
- Credit repair
- Administrative costs (3 percent limit)

Grantees must not make payments directly to program participants, but only to third parties, such as landlords. In addition, an assisted property may not be owned by the grantee or the parent organization, subsidiary or affiliated organization of the grantee.

Rapid re-housing assistance requires that the program participant head of household have the valid lease in his/her name that is in compliance with tenant/landlord laws. A copy of this lease must be included in the program participant record.

Grantees must have written agreements with both the program participant and the landlord that identify the terms of the rapid re-housing assistance. This should specifically provide the landlord with guidance for addressing issues which could impact housing stability.

As with shelter services, all households seeking services must be screened and have an initial assessment completed through a centralized or coordinated process. Housing barrier assessments and housing plans are required for all program participants (see *Initial Screening and Housing Barrier Assessment and Housing Plan*).

#### *Rental Assistance/Rent Arrears*

Rental assistance is tenant-based and can be used to allow individuals and families to obtain and remain in rental units. The following guidelines apply:

- No program participant may receive more than 24 months of assistance during any three year period of time
- Grantees must determine the amount of rental assistance provided, such as “shallow subsidies” (payment of a portion of the rent), payment of 100 percent of the rent charged, or graduated/declining subsidies.
- Assistance with any portion of rent during a month counts as a month toward the 24 month limit.
- Payment of rent arrears consists of a one-time payment for up to six months in arrears, including any late fees on those arrears. Rental arrears may be paid if the payment enables the program participant to obtain (or retain in the case of prevention) a housing unit. If funds are used to pay rental arrears, arrears must be included in determining the total period of the program participant’s rental assistance, which may not exceed 24 months. Assistance with rent arrearage must assist the program participant to obtain housing where the program participant would be homeless.
- While the payment of rent arrears is a lump sum and recorded as such in HMIS, each month and the number of months must be noted in HMIS and counted toward the total rent assistances limit of 24 months.
- Any individual or family receiving assistance beyond any arrears and two current months of rent and utility assistance must be evaluated and recertified as eligible every three months. Recertification of eligibility includes the following:
  - Program participant household income below 30 percent AMI

- The household lacks the financial resources and support networks needed to remain in existing housing without rapid re-housing assistance
  - Housing stabilization services are being appropriately implemented
- Grantees are required to certify eligibility at intake and at least once every three months.
- Grantees must provide the appropriate level of case management in order to assure housing stability (at least monthly case management is required).
- Grantees may require a program participant *to share in the costs* of rent.
- Assistance should be “*needs-based*,” meaning that grantees should determine the amount of assistance based on the minimum amount needed to help the program participant maintain housing stability *in the near term*. This will also help communities to utilize program resources efficiently to serve as many households as possible.
- Funds may not be used to pay damage costs incurred by the tenant.
- When households are moved into a unit, the rent must meet two standards:
  1. Rent Reasonableness – rent is equal to or less than other like units in the area
  2. Fair Market Rent (FMR) – rent (including utilities) is at or below the HUD established FMR for the unit size in the area
- The rental assistance to move into a new unit cannot exceed the actual rental cost, which must be in compliance with HUD’s standard of “rent reasonableness.” “*Rent reasonableness*” means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private unassisted market and must not be in excess of rents being charged by the owner during the same time period for comparable non-luxury unassisted units. To make this determination, the grantee should consider (a) the location, quality, size, type, and age of the unit; and (b) any amenities, housing services, maintenance and utilities to be provided by the owner. A copy of the [HUD rent reasonableness worksheet](#) must be completed and included in the program participant file.
- The rental assistance to move into a new unit cannot exceed the actual rental cost, which must be at or below [Fair Market Rents \(FMR\) for the area](#). Note: the FMR, including utility allowances, requires grantees to utilize the appropriate utility allowance for any utilities that are paid by the program participant separate from rent. A copy of the completed worksheet must be included in the program participant file.
- FMR limits include the cost of utilities. Grantees will need to utilize an established utility allowance in order to assess FMR limits for rents on units not including all utilities. The grantee may use the local housing authority’s or [VHDA’s](#) appropriate regional allowances in order to calculate the rent standard. The actual rent charged



for a unit plus the allowance for any utilities that the program participant must pay themselves must not exceed the FMR for the area.

- No duplication of assistance. Financial assistance cannot be made on behalf of eligible individuals or families for the same period of time and for the same cost types that are being provided through another federal, state or local housing subsidy program.
- Rental assistance or arrears to pay for a lot on which a manufactured or mobile home is located is an eligible expense as long as the household is otherwise eligible.
- Rental assistance provided toward rent for a housing unit owned by a grantee, related entity, or partner is prohibited.

#### *Housing Stabilization Financial Assistance*

Funds may be used to provide financial assistance to help program participants quickly access housing. The housing relocation and stabilization services financial assistance includes:

- Security and utility deposits
- Last month's rent
- Utility payments
- Utility arrears
- Moving costs
- Application fees
- Grantees are required to certify eligibility at intake and at least once every three months where financial assistance is provided.
- Funds may be used to pay for security deposits, including utility deposits, for program participants. This is eligible in the case where the program participant is otherwise eligible and they are not receiving security or utility deposits assistance from another source.
- Grantees must not take measures to recapture any deposit assistance provided to program participants. In the cases where the return of a deposit to the grantee is unavoidable, all returned deposits must be tracked as program income. Any resulting program income must be used for eligible activities.
- Funds may be used for up to 24 months of utility payments for each program participant in any three year period of time, provided that the program participant or a member of his/her household has an account in his/her name with a utility company and is not receiving utility assistance for the same period of time for the utilities.
- Utility assistance may include up to six months of utility payments in arrears per service. Payments of arrears must be counted toward the 24 month limit.

- The grantee may want to consider using the Virginia Housing Development Authority (VHDA) utility allowance guideline to set reasonable limits for utility payment.
- Assistance should be “needs-based,” meaning that grantees should determine the amount of assistance based on the minimum amount needed to maintain housing stability *in the near term*. This will also help communities to utilize program resources efficiently to serve as many households as possible.
- Assistance with utilities may be structured where the program participant pays a portion of the utilities. Partial assistance payment for any month of utilities counts as a month of assistance. Grantees may pay past due utilities, however the past due months must be included in the 24 month limit. Utilities are limited to water/sewer, heating oil, gas, and electricity. Twenty-four month limits are based on assistance with one or more of the basic utilities per month. Since the actual number of months may be difficult to determine, grantees may use estimates to determine the total number of months covered. In these cases the grantee must document the basis for the estimation.
- Funds may be used for reasonable moving costs, such as truck rental, or hiring a moving company to assist an eligible household with housing stability.
- Funds may be used for lease or apartment application fees where necessary and no other source has been identified to assist an eligible household with housing stability.

#### *Housing Stabilization Services/Case Management*

Funds may be used for housing stability case management. These are the costs of assessing, arranging, coordinating, and monitoring the delivery of individualized services to facilitate housing stability for program participants residing in permanent housing or to assist a program participant in overcoming immediate barriers to obtaining housing. Please note that clients must receive case management at least once a month.

This assistance cannot exceed 30 days during the period the program participant is seeking permanent housing and cannot exceed 24 months during the period the program participant is living in permanent housing. Please note that regardless all program participants must be transitioned as quickly as possible to permanent housing.

These costs include:

- Conducting initial assessments
- Counseling
- Facilitating access to mainstream services
- Monitoring and evaluating program participant progress
- Coordination with and referrals to other providers
- Developing individualized housing and service plans
- Support services to individuals in permanent supportive housing (applicable only for Homeless Reduction Grant for Permanent Supportive Housing –services only)

Under the rapid re-housing component, these funds can be used for case management services (or other services) alone. That is, although rental assistance cannot be provided

independent of case management services, case management can be provided independent of rental assistance. For example, services (such as case management) could be provided after the term of a program participant's rental assistance expires, as long as the 24-month cap for each type of assistance is not exceeded. Please note that recertification is required at 12 months.

"Stand alone" case management or other services can also be provided to support program participants who receive rental assistance through another resource, as long as the individual or family is eligible for assistance at the time of the intake evaluation.

#### *Housing Search and Placement*

Housing search funds may be used for services or activities designed to assist individuals or families in locating, obtaining, and retaining suitable housing. Component services or activities may include: tenant counseling, assisting individuals and families to understand leases, securing utilities; making moving arrangements, representative payee services concerning rent and utilities, and mediation and outreach to property owners related to locating or retaining housing. Costs also include expenditures associated with assessing housing unit compliance with property standards, lead requirements, and rent reasonableness. Please note that costs associated with staff in the role of housing locator would be eligible housing search and placement costs.

#### *Credit Repair*

Funds may be used for services that are targeted to assist program participants with critical skills related to household budgeting, money management, accessing a personal credit report, and resolving personal credit issues. If grantees elect to conduct credit checks on program participants, they must do so for all program participants so as not to violate Fair Housing Law or otherwise discriminate among program participants. Grantees may not use these funds to reimburse landlords for their costs associated with conducting credit and/or background checks. Credit may **not** be used to determine program eligibility. Payment of debt is an ineligible expense.

#### *Administrative Costs*

Administrative costs for Rapid Re-housing programs are limited to no more than three percent of the total grant amount. These costs include allowable organizational costs (e.g., audit) and costs associated with the service provision location such as rent, utilities, insurance.

#### Permanent Supportive Housing

Homeless Reduction Grant funds may be used for housing relocation and stabilization assistance including support services for former chronically homeless individuals/families in permanent supportive housing. Please note, that permanent supportive housing means permanent housing targeted to formerly homeless (chronic homeless with disabilities).

#### *Housing Relocation and Stabilization Services*

Please see the Rapid-Re-housing: Housing Relocation and Stabilization Services section (page 10 – 11) for eligible costs.

### *Supportive Services*

Homeless Reduction Grant funds may be used to provide support services to former chronically homeless individuals in a permanent supportive housing program. Eligible services include those services deemed necessary for maintaining housing stability. Please note that services must always be optional for the program participant.

### Predevelopment

The Homeless Reduction Grant will provide predevelopment grants for permanent supportive housing projects. Selected projects will always be assisted with the minimum amount of assistance needed. Please note that applications for Homeless Reduction Grant predevelopment assistance will receive bonus points if the predevelopment assistance is for a project that either has a funding commitment through DHCD or has applied for DHCD project funding.

A project must be a rental projects with at least a portion of the units targeted to provide permanent supporting housing (former chronically homeless).

All assisted projects should be located, where possible, in areas that decrease the overall concentration of poverty and minorities and provide safe environments and access to community services.

Please note that compliance with fair housing always applies, tenants must have a lease in their name, and participation in services may not be required.

Projects must, to the greatest extent possible, provide accessible units. Projects are encouraged to provide universal design units and units designed to meet the needs of individuals with physical and/or sensory disabilities.

Projects should, to the greatest extent possible, leverage green-building approaches.

The Fair Housing Act prohibits discrimination in the sale or rental of housing based race, color, religion, sex, national origin, handicap or familial status. This prohibition applies to all projects assisted with through this program. Project that discriminate or are structured to discriminate are ineligible.

To the extent feasible projects should seek to procure contracts with Virginia-based business and/or minority and/or women-owned businesses.

Eligible predevelopment costs include:

- Feasibility study fees
- Consulting fees
- Financial application costs
- Architects, legal, engineers, development team fees
- Site control expenses
- Title clearance costs

**CAMS Requirements**

Each grantee is required to meet project management and reporting requirements in [CAMS](#). This is DHCD's Centralized Application and Management System. Applications for funding must be received in CAMS. Once a project is selected the grantee will be required to submit project documentation to include for example quarterly progress reports. CAMS is also where grantees will submit request for reimbursement or remittance. Please note, that it is the responsibility of the grantee to login to CAMS on a regular basis. CAMS will be the record for any project funded through the program. Award notifications, contracts, inspection or monitoring reports, and other project documentation will all be maintained in CAMS.